

transfer of all or a proportionate amount of a limitation provided by this subsection for a person who qualifies for the limitation and establishes a different residence homestead. However, taxes otherwise limited by this subsection may be increased to the extent the value of the homestead is increased by improvements other than repairs or improvements made to comply with governmental requirements and except as may be consistent with the transfer of a limitation under this subsection. For a residence homestead subject to the limitation provided by this subsection in the 1996 tax year or an earlier tax year, the legislature shall provide for a reduction in the amount of the limitation for the 1997 tax year and subsequent tax years in an amount equal to \$10,000 multiplied by the 1997 tax rate for general elementary and secondary public school purposes applicable to the residence homestead.

SECTION 2. The following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) *This temporary provision applies to the constitutional amendment proposed by H.J.R. No. 4, 75th Legislature, Regular Session, 1997, and expires January 2, 1998.*

(b) *The amendment to Section 1-b(c), Article VIII, of this constitution takes effect for the tax year beginning January 1, 1997.*

SECTION 3. This proposed constitutional amendment shall be submitted to the voters at an election to be held August 9, 1997. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment providing school property tax relief by increasing the residence homestead exemption by \$10,000 and providing for the transfer of the tax limitation to another qualified homestead for persons over 65 and a reduction in taxes on homesteads subject to the limitation."

Passed by the House on April 23, 1997: Yeas 114, Nays 35, 0 present, not voting; the House refused to concur in Senate amendments to H.J.R. No. 4 on May 12, 1997, by a non-record vote and requested the appointment of a conference committee to consider the differences between the two houses; the House adopted the conference committee report on H.J.R. No. 4 on May 31, 1997: Yeas 128, Nays 18, 2 present, not voting; passed by the Senate, with amendments, on May 10, 1997: Yeas 23, Nays 7; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; the Senate adopted the conference committee report on H.J.R. No. 4 on May 31, 1997: Yeas 27, Nays 3.

Filed with the Secretary of State June 2, 1997.

H.J.R. No. 8

A JOINT RESOLUTION

proposing a constitutional amendment to extend the full faith and credit of the state to support the Texas tomorrow fund.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article VII, Texas Constitution, is amended by adding Section 19 to read as follows:

Sec. 19. TEXAS TOMORROW FUND. (a) *The Texas tomorrow fund is created as a trust fund dedicated to the prepayment of tuition and fees for higher education as provided by the general laws of this state for the prepaid higher education tuition program. The assets of the fund are held in trust for the benefit of participants and beneficiaries and may not be diverted. The state shall hold the assets of the fund for the exclusive purposes of providing benefits to participants and beneficiaries and defraying reasonable expenses of administering the program.*

(b) *Financing of benefits must be based on sound actuarial principles. The amount contributed by a person participating in the prepaid higher education program shall be as provided by the general laws of this state, but may not be less than the amount anticipated for tuition and required fees based on sound actuarial principles. If in any fiscal year there is not enough money in the Texas tomorrow fund to pay the tuition and required fees of an institution of higher education in which a beneficiary enrolls or the appropriate portion of*

the tuition and required fees of a private or independent institution of higher education in which a beneficiary enrolls as provided by a prepaid tuition contract, there is appropriated out of the first money coming into the state treasury in each fiscal year not otherwise appropriated by the constitution the amount that is sufficient to pay the applicable amount of tuition and required fees of the institution.

(c) Assets of the fund may be invested by an entity designated by general law in securities considered prudent investments. Investments shall be made in the exercise of judgment and care under the circumstances that a person of ordinary prudence, discretion, and intelligence exercises in the management of the person's affairs, not for speculation, but for the permanent disposition of funds, considering the probable income from the disposition as well as the probable safety of capital.

(d) The state comptroller of public accounts shall take the actions necessary to implement this section.

(e) To the extent this section conflicts with any other provision of this constitution, this section controls.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 4, 1997. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment to encourage persons to plan and save for young Texans' college education, to extend the full faith and credit of the state to protect the Texas tomorrow fund of the prepaid higher education tuition program, and to establish the Texas tomorrow fund as a constitutionally protected trust fund."

Passed by the House on March 10, 1997: Yeas 120, Nays 24, 1 present, not voting;
passed by the Senate on May 7, 1997: Yeas 21, Nays 9, 1 present, not voting.

Filed with the Secretary of State May 8, 1997.

H.J.R. No. 31

A JOINT RESOLUTION

proposing a constitutional amendment permitting an encumbrance against homestead property for certain extensions of equity credit.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 50, Article XVI, Texas Constitution, is amended to read as follows:

Sec. 50. (a) The homestead of a family, or of a single adult person, shall be, and is hereby protected from forced sale, for the payment of all debts except for:

(1) the purchase money thereof, or a part of such purchase money;

(2)[,] the taxes due thereon;

(3)[,] an owelty of partition imposed against the entirety of the property by a court order or by a written agreement of the parties to the partition, including a debt of one spouse in favor of the other spouse resulting from a division or an award of a family homestead in a divorce proceeding;

(4)[,] the refinance of a lien against a homestead, including a federal tax lien resulting from the tax debt of both spouses, if the homestead is a family homestead, or from the tax debt of the owner;

(5)[~~or for~~] work and material used in constructing new improvements thereon, if contracted for in writing, or work and material used to repair or renovate existing improvements thereon if:

(A) [~~and in this last case only when~~] the work and material are contracted for in writing, with the consent of both spouses, in the case of a family homestead, given in the same manner as is required in making a sale and conveyance of the homestead;

(B) the contract for the work and material is not executed by the owner or the owner's spouse before the 12th day after the owner makes written application for any extension